



RE: 2013 HEALTH PLAN CHANGES

Dear Health Plan Participants:

The City's Health Plan is self-insured and currently covers 4,550 lives. During 2012, the plan saw a sharp increase in large claims with costs rising to \$22.07 million and contributions of only \$18.23 million. This imbalance resulted in a shortfall of nearly \$4 million.

During the past three years the City's health plan reserves were able to absorb increasing healthcare costs but that is no longer an option in 2013.

A majority of the funding for the health plan comes from the City through a fixed-contribution that was negotiated by the various bargaining groups. To address the shortfall and the future viability of the health plan, changes to rates and plan structures are required.

New Health Center

To promote better health and to help control escalating healthcare costs a modern new health center will open in March 2013. Plan participants are encouraged to use the health center with copays and costs waived for both doctor visits and prescription drugs.

Health Plan Options

Effective January 1, 2013, three health plan choices will be offered:

1. Health Maintenance Organization (HMO1) Plan – this option will continue to offer a high quality plan and similar benefit structure to the current HMO1; however, it requires a significant increase in the employee contribution along with some copayment increases.
2. Health Maintenance Organization (HMO2) Plan - this option will offer similar coverages to the current HMO2; the rates will be less than the HMO1 but more than the new Consumer-Driven Health Plan option along with some copayment increases.
3. Consumer-Driven Health Plan (CDHP) – this POS (Point of Service) plan will offer lower costs and affordable rates compared to the HMO Plan, but will feature new benefits designed to give participants more control over their healthcare choices.

Employees and other plan participants are encouraged to attend one of the meetings being held at worksites throughout the City during the month of November. It is important to understand the various plan and benefit options for 2013.

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CITY OF FORT LAUDERDALE'S BENEFITS OFFICE**

FALL 2012

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**IMPORTANT UPDATES TO YOUR
2013 BENEFITS**

- Open Enrollment Meetings : Begins November 7th (See schedule on pgs. 6 & 7)
- Benefit Packet being mailed to your home
- Benefits website...get background information including rates at www.fortlauderdale.gov/benefits
- Cigna Health Plan Hotline... beginning November 7th call (800)401- 4041

There are numerous options available to choose from during this year's benefits open enrollment process for coverages that will be effective January 1, 2013.

1. **Healthcare plan choices administered by CIGNA:** the HMO1, HMO2 or Consumer-Driven Health Plans;
2. **Vision Coverage:** the vision plan is now being offered as a separate choice (no longer part of the health plan);
3. **GAP Coverage:** an optional benefit available from Allstate that covers out- of-pocket, in-patient and out-patient hospital expenses under the HMO or Consumer-Driven Health Plans;
4. **Flexible Spending Accounts:** under new federal IRS rules, the maximum Healthcare Spending Account will be \$2,500, but the

Dependent Care Spending Account remains at \$5,000;

5. **Dental Coverage:** the dental plans and rates remain the same for 2013 (Guardian PPO for Firefighters and Humana HMO or PPO for Teamsters & Management);
6. **Term Life Insurance:** guaranteed coverages are available up to 3-times salary or \$250,000 for employees and up to \$30,000 (or half of what the employee has in term insurance) for spouses/partners. This is a one-time opportunity during the month of November, 2012;
7. **Florida Pre-Paid College Tuition:** a voluntary plan that allows you to save (through payroll deductions) for your dependent's college education; and
8. **Voluntary Coverages:** various voluntary benefits are available to employees during November by meeting with representatives from Allstate & Aflac (short-term disability, hospitalization, accident, cancer, life insurance) and U.S. Legal which provides legal services.
9. **Loans-At-Work:** a voluntary loan program will provide City employees with the opportunity to apply for unsecured loans for healthcare expenses or any other need up to \$5,000 (capped at 20% of net take-home pay) to be repaid through payroll deductions. This program is projected to be available during the

FREQUENTLY ASKED QUESTIONS

Q: Will Cigna continue to be the medical plan administrator in 2013?

A: Yes. Cigna administers the City's Health Plans and will continue to provide their OpenAccessPlus (OAP) network of providers for both the HMO and Consumer-Driven plans. Therefore, you may continue to use the same Cigna doctors and providers you've been using.

Q: I've heard rumors that my premiums are going to see big increases for 2013?

A: Although rate increases for 2013 medical benefits are significant, the City is offering employees three options of coverages and rates.

Q: Why is Cigna raising the rates so much?

A: It's not a Cigna issue; it's a claims issue. The City's Health Plan is self-funded which means that Cigna provides the City with discounted services through their large network of providers. They then process the bills and the City reimburses them for all claims. So as claims increase, it becomes necessary for the City to increase revenues to offset the increase in claims.

Q: What are my options for medical coverage in 2013?

A: The City will continue to offer HMO1 or HMO2 plans with an increase to

rates. The plans will feature much the same plan design as we've had in the past with slightly higher copays for physicians as well as prescription drugs.

The City will also offer a plan with more affordable rates that is called the Consumer-Driven Health Plan (CDHP). The CDHP provides a POS plan with a Health Reimbursement Account (HRA) funded by the City to help pay for upfront costs of eligible health care expenses.

To find out more about these options, attend one of the many open enrollment meetings that will be held around the City.

Q: What if my spouse has better coverage at their job - can I join their plan?

A: Yes. During the City's Benefit Enrollment for 2013 you are free to change plans.

Q: Will our dental carriers change?

A: No. We will continue with the same rates and coverages under the Guardian dental plan (PPO) for Firefighters and the Humana dental plans (HMO & PPO) for Management and Teamsters.

Q: Why are you reducing the amount I can put in my 2013 Flexible Spending Account to \$2,500.

A: The City is simply complying with the new federal mandate that has reduced the eligible pre-tax contribution an employee can make in 2013 from \$3,000 to \$2,500. Dependent Care deductions of \$5,000 annually will remain intact.

Q: Will the Health Center have a doctor on staff?

A: Yes, there will be a licensed doctor on staff along with a nurse practitioner and medical assistant.

Q: Do I choose between the Health Center and the HMO or Consumer-Driven plans?

A: No. You enroll in either of the HMO's or the Consumer-Driven plan. Participants in any of the plans may use the Health Center.

Q: Will the Health Center be similar to a worker's compensation clinic?

A: No. The Health Center provides employees with the opportunity to visit with a physician or nurse practitioner with nominal waits in a modern and convenient facility. The philosophy behind the Health Center is to provide employees with the opportunity to spend quality time with their doctor and/or nurse practitioner.

Q: Who will be running the new Health Center?

A: The Health Center will be run by Marathon Health, which is a large medical provider that runs more than 100 Health Centers nationally. They operate the same as a physician's office, but their services are being paid for by the City Health Plan.

Q: Will the Health Center employees be City employees?

A: No. Staff member of the Health Center will be employees of Marathon Health.

Q: Will using the Health Center compromise my privacy?

A: No. Using the Health Center doctor and/or nurse practitioner will be like using your own personal doctor. Your visit is kept confidential between you and the doctor or nurse practitioner. Your visit is private. It's important to the City and Marathon Health that HIPAA (Health Insurance Portability & Accountability Act of 1996 Privacy & Security Rules) laws are always followed to protect your privacy.

SELF-SERVICE ENROLLMENT SYSTEM AVAILABLE NOVEMBER 7th

Enrollment for active employees must be done on a City computer and will be available Thursday, November 7th through Friday, December 7th.

The self-service enrollment system is **ONLY AVAILABLE ON CITY COMPUTERS** (not through the internet from home). Anyone with a City computer will be able to access the self-service system. City computers are also being provided in public places throughout the City during November and December in conjunction with open enrollment meetings.

CITY COMPUTERS	LOCATION
City Hall	8th Floor Cafeteria
Police Headquarters (Civilians)	Training & Break Rooms
Fire	Station 2
Facilities/Sanitation/Parks	Breakrooms
Recreation	Mills Pond Park
Public Works	Administration & Fiveash

CITY HEALTH CENTER TO OPEN IN MARCH 2013

Based on the growing popularity and effectiveness of Health Centers, including one that has been operated for City employees in Plantation for the past couple of years, the City will be opening a Health Center in March 2013. The Fort Lauderdale site will provide you and your dependents with medical services at a modern new medical facility that is staffed by a physician, nurse practitioner and medical assistant.

Participants in either of the HMO's or the Consumer-Driven Health Plan will be able to use the Health Center and get non-narcotic prescription drugs at no cost. It's your choice. The Health Center is a voluntary choice you make. You can continue using your personal physician under the City's three Health Plans.

Copays will be waived for both doctor visits and prescription drugs at the Health Center.

In addition to helping control healthcare costs, the Health Center will provide you with convenient, high quality medical care. More importantly, the Health Center's staff will spend the necessary time to provide a complete evaluation and discussion of your medical needs and concerns.

OPEN ENROLLMENT MEETING SCHEDULE

**The self-service enrollment system is only available on the City computers.
Computers will be available beginning November 7th.**

Dates (Subject to change)	Department	Location	Meeting Times
Wed, Nov. 7th	City Hall	1st Floor Chambers 100 N. Andrews Avenue	9:00am, 11:00am and 2:00 pm
Thur, Nov. 8th	Fire (B Shift)	Station 2 528 NW 2nd Street	8:00 am – 4:00 pm
Fri, Nov. 9th	Sustainable Development	Training Room 700 NW 19th Ave	7:30am – 10:00am
Fri, Nov. 9th	Police Headquarters (Civilians)	1300 W. Broward Blvd 2nd Floor Training Room	11:00 am and 1:00 pm
Tues, Nov. 13th	Sanitation	Sanitation Breakroom 220 SW 14th Ave Bldg 4-B	6:30 am – 7:30 am 10:30 am - 11:30 am (Until 2:00 pm)
Wed, Nov. 14th	Public Works	Fiveash 949 NW 38th Street	6:30 am – 7:30 am; (7:30 am – 2:00 pm)
Wed, Nov. 14th	Recreation	Mills Pond Park 2201 N.W. 9th Avenue	Noon - 1:00 pm (1:00 - 4:00 pm)
Thur, Nov. 15th	Fire (C Shift)	Station 2 528 NW 2nd Street	8:00 am - 4:00 pm
Fri, Nov. 16th	CMS	4250 NW 10th Avenue	7:30 am – 8:30 am; 2:00 pm - 3:00 pm
Mon., Nov. 19th	Ocean Rescue	501 Seabreeze Blvd.	8:30 am -9:30 am
Mon, Nov. 19th	Recreation	Mills Pond Park 2201 N.W. 9th Avenue	Noon - 1:00 pm (1:00 - 4:00 pm)
Tues, Nov. 20th	Facilities	Sanitation Breakroom 220 SW 14th Ave Bldg 4-B	7:00 am - 8:00 am (8:00 - 2:00 pm)
Wed, Nov. 21st	Public Works	Fiveash 949 NW 38th Street	6:30 am – 7:30 am; (7:30 am – 11:00 am)

For details or if you need assistance, please call:

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Dates (Subject to change)	Department	Location	Meeting Times
Mon, Nov. 26th	Sustainable Development	Training Room 700 NW 19th Ave	7:30 am - 10:00 am
Tues. Nov. 27th	Public Works	Sanitation Breakroom 220 SW 14th Ave Bldg 4-B	6:30 am – 7:30 am; (7:30 am – 11:00 am)
Wed. Nov. 28th	Fire (A Shift)	Station 2 528 NW 2nd Street	8:00 am - 4:00 pm
Thur, Nov. 29th	City Hall	1st Floor Chambers 100 N. Andrews Avenue	9:00 am, 11:00 am and 1:00 pm
Fri, Nov. 30th	Parks	Sanitation Breakroom 220 SW 14th Ave Bldg 4-B	6:30 am – 7:30 am (7:30 am–11:00am)
Mon., Dec. 3rd	Ocean Rescue	501 Seabreeze Blvd.	8:30 am - 9:30 am
Mon, Dec 3rd	Recreation	Mills Pond Park 2201 NW 9th Avenue	11:00 am -Noon (Noon - 4:00 pm)
Tues, Dec. 4th	Parks	Sanitation Breakroom 220 SW 14th Ave Bldg 4-B	6:30am – 7:30am; 12:30 pm – 1:30 pm
Wed, Dec. 5th	City Hall	1st Floor Chambers 100 N. Andrews Avenue	9:30 am, 11:30 am and 2:00 pm
Thur, Dec. 6th	Parks	Sanitation Breakroom 220 SW 14th Ave Bldg 4-B	7:00 am - 8:00 am 12:30 pm - 1:30 pm
Fri, Dec. 7th	Police Headquarters (Civilians)	1300 W. Broward Blvd, 2nd Floor Training Room	9:00 am and 11:00 am

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2013 HEALTH PLAN OVERVIEW

HMO1 • HMO2 • CONSUMER-DRIVEN HEALTH PLAN

HMO1 (Similar Design)

Preventive Care:
Covered at 100% (in-network)

Physician Copays:
\$40 Primary Care
\$60 Specialist & Urgent Care

Outpatient Surgery: \$500 Copay
Hospital: \$500/day up to 5 days (\$2,500)
Emergency Room: \$200 Copay

Pharmacy:
\$20/\$40/\$60 Retail
\$40/\$80/120 Home Delivery

Maximum Out-of-Pocket Expenses
\$5,000 Employee
\$7,000 Employee +1
\$10,000 Family
(copays only)

HMO2: (Similar Design)

Preventive Care:
Covered at 100% (in-network)

Physician Copays:
\$40 Primary Care
\$60 Specialist & Urgent Care

Hospital Deductible: \$1,000 EE; \$2,000
EE+1; \$3,000 Family

Outpatient Surgery: Deductible
plus 20% Coinsurance
Hospital: Deductible plus
20% Coinsurance
Emergency Room: \$200 Copay

Pharmacy:
\$20/\$40/\$60 Retail
\$40/\$80/\$120 Home Delivery

Maximum Out-of-Pocket Expenses
\$7,000 Employee
\$10,000 Employee +1
\$14,000 Family
(deductible, copays, coinsurance)

Consumer-Driven Health Plan (CDHP) (New Design)

Any unused balance in the HRA rolls over for your use next year (in addition to the 2014 HRA contribution by the City).

If you terminate employment with the City, the HRA balance reverts back to the plan.

- \$750: employee only coverage
- \$1,000: employee plus-one coverage
- \$1,500: employee plus-family coverage

Deductible

The participant is responsible for their deductible.

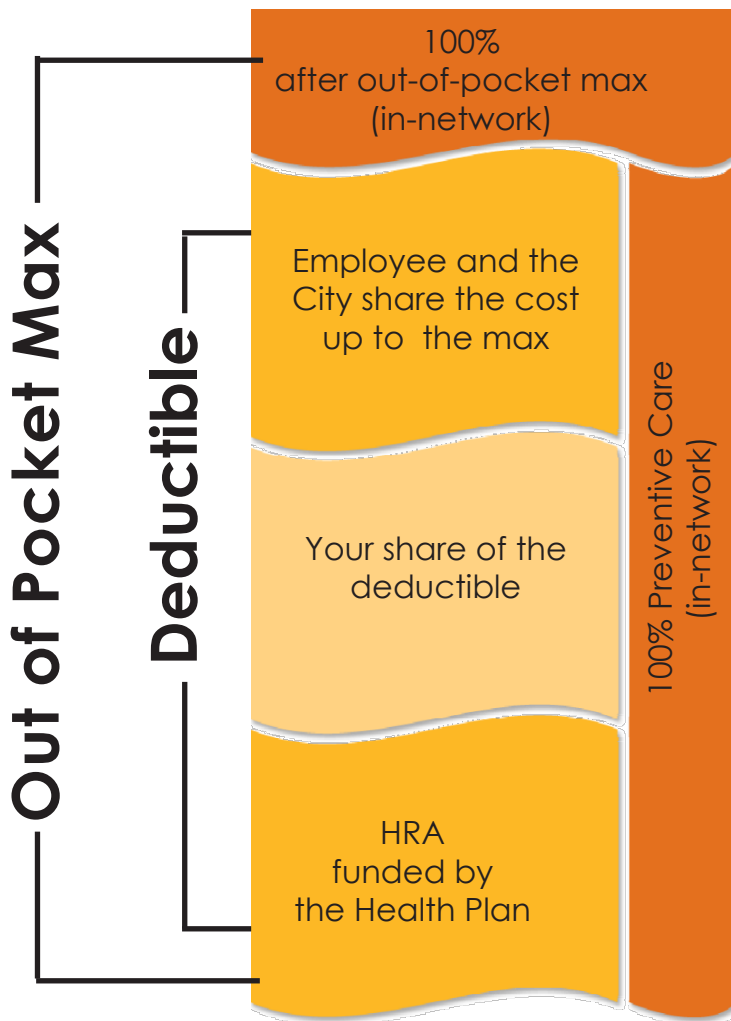
- \$2,000 (remaining \$1,250 after HRA): employee only coverage
- \$3,000 (remaining \$2,000 after HRA): employee plus-one coverage
- \$4,000 (remaining \$2,500 after HRA): employee plus-family coverage

Coinsurance

Once participants reach their annual deductible they will be responsible for paying 10% (in-network) and 30% (out-of-network) of the discounted rates for their medical services up to a maximum out-of-pocket for the year.

Maximum Out-of-Pocket

- \$5,000 maximum for employee only coverage
- \$7,000 maximum for employee plus-one coverage
- \$10,000 maximum for employee plus-family coverage



The 2013 Consumer-Driven Health Plan (POS) provides a new approach that gives you more control over your health plan expenditures.

We suggest that employees and their partners will want to take some time to review this plan during the City's Benefits Open Enrollment period.

Health Reimbursement Account (HRA)

Available for each participant to cover their claims costs at 100% (Cigna's discounted rate for physicians, hospitals and pharmacies averages 65%).

The 2013 Health Plan Rates By Bargaining Groups Are Highlighted Below			
City's Management/Federation Contribution is \$702/month	2013 Biweekly Rates For Active Management		
	HMO1	HMO2	Consumer-Driven Health Plan (CDHP)
Employee	\$ 84.00	\$ 65.00	\$ 35.00
Employee & Spouse	\$ 172.00	\$ 132.00	\$ 72.00
Employee & Child	\$ 114.00	\$ 87.00	\$ 48.00
Employee & Children	\$ 155.00	\$ 119.00	\$ 65.00
Family	\$ 239.00	\$ 183.00	\$ 100.00
City's Teamster Contribution is \$655/month	2013 Biweekly Rates For Active Teamsters		
	HMO1	HMO2	Consumer-Driven Health Plan (CDHP)
Employee	\$ 96.00	\$ 76.00	\$ 46.00
Employee & Spouse	\$ 195.00	\$ 156.00	\$ 94.00
Employee & Child	\$ 129.00	\$ 103.00	\$ 62.00
Employee & Children	\$ 176.00	\$ 140.00	\$ 85.00
Family	\$ 271.00	\$ 217.00	\$ 128.00
City's Firefighters Contribution is \$567/month	2013 Biweekly Rates For Active Firefighters		
	HMO1	HMO2	Consumer-Driven Health Plan (CDHP)
Employee	\$ 118.00	\$ 98.00	\$ 68.00
Employee & Spouse	\$ 241.00	\$ 201.00	\$ 139.00
Employee & Child	\$ 159.00	\$ 133.00	\$ 91.00
Employee & Children	\$ 217.00	\$ 181.00	\$ 125.00
Family	\$ 335.00	\$ 279.00	\$ 193.00
Adult Child (25-30 Year Old)	2013 Biweekly Rates For Adult Child		
	HMO1	HMO2	Consumer-Driven Health Plan (CDHP)
Adult Child	\$ 94.00	\$ 90.00	\$ 85.00
Retirees	2013 Monthly Rates		
	HMO1	HMO2	Consumer-Driven Health Plan (CDHP)
Employee	\$ 811.00	\$ 738.00	\$ 730.00
Employee & Spouse	\$ 1,663.00	\$ 1,541.00	\$ 1,497.00
Employee & Child	\$ 1,095.00	\$ 1,038.00	\$ 986.00
Employee & Children	\$ 1,501.00	\$ 1,411.00	\$ 1,351.00
Family	\$ 2,313.00	\$ 2,129.00	\$ 2,082.00
About the above Health Plan Rates			
<p>The City's actuarial firm, Wakely Associates, annually conducts extensive projections to determine claims and administrative costs for the City's Health Plan for the upcoming year. Participant rates are the result of taking these total costs, less the City's contribution which is based on a negotiated monthly contribution for each bargaining-unit member (IAFF, Teamsters, Federation and Management).</p> <p>In setting rates for 2013, a two-year projection was also made including 2014 rates that more directly realign the cost of the plan with participant rates. A second option was also examined that projected what rates would be if the City only offered one, Consumer-Driven Health Plan. The City is certainly hopeful that there will not be a need to increase participant rates in 2014 if claims costs can be slowed or reduced by participants' voluntary use of the new Health Center and a more health conscious lifestyle.</p>			